

EXHIBIT 137

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CAUSE NO. D-1-GV-07-001259

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THE STATE OF TEXAS, ex rel.) IN THE DISTRICT

VEN-A-CARE OF THE FLORIDA KEYS,) COURT

INC.)

)

Plaintiffs,) TRAVIS COUNTY,

) TEXAS

VS.)

)

SANDOZ, INC., f/k/a GENEVA)

PHARMACEUTICALS, INC., et al.) 201st JUDICIAL

) DISTRICT

Defendants.)

-----X

ORAL VIDEOTAPED DEPOSITION OF

PATRICIA GLADDEN

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1 proceedings of the Medical Care Advisory
2 Committee regarding this rule.

3 A. I didn't.

4 Q. Okay. Do you recall whether the TPA
5 took a position on this particular rule change?

6 A. In my recollection, this rule change
7 never got to the point of proposal in the Texas
8 Register.

9 Q. And why not?

10 MR. IDELL: Objection; form.

11 A. And, again, I don't know. I just know
12 that -- I don't remember having drafted this
13 rule, so I don't think it ever happened.

14 Q. (By Mr. Parish) Okay.

15 Do you recall a second lawsuit to stop
16 a change to the reimbursement methodology?

17 A. You'd have to be more specific.

18 Q. You referred, I believe, earlier to an
19 attempt to change the WAC plus 12 to I assume
20 something less?

21 A. Are you talking about the 2002 rule
22 proposals?

23 Q. Yes.

24 A. Yes, I remember that.

25 Q. And what do you recall about that

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1 lawsuit?

2 A. Once again, when we attempted to lower
3 the reimbursement, they went to court and blocked
4 us.

5 Q. And "they" is the TPA?

6 A. Yes.

7 Q. And what was the outcome of the
8 lawsuit?

9 A. The outcome was that we dropped the
10 rules and they nonsuited the whole thing. We
11 went back to the way it was.

12 Q. And "back to the way it was," that was
13 the reimbursement being the lesser on AWP minus
14 15 or wholesaler cost plus 12.

15 A. The same rules that have been in effect
16 since '97, I believe.

17 Q. So from the period 1997 through the
18 time that you retired, the reimbursement change
19 effectively -- the reimbursement methodology
20 effectively remained unchanged.

21 A. That's true. The percentages didn't
22 change.

23 Q. And that was because the Texas
24 Pharmacist Association blocked changes to the
25 rules.

1 MR. IDELL: Objection; form.

2 A. Well, yes, they did. And I don't know
3 what other reasons there were. We tried to work
4 with them on what kind of changes we could make
5 on reimbursement, but I don't remember that
6 anything like that ever bore fruit.

7 Q. (By Mr. Parish) Okay. And why didn't
8 it bear fruit?

9 MR. IDELL: Objection; form.

10 A. Well, all I remember is that while TPA
11 might not disagree that they were buying better
12 than -- than our -- than we were reimbursing
13 them, they did not want us to lower their
14 reimbursement.

15 Q. (By Mr. Parish) So even though you had
16 audits, and other findings indicated that
17 pharmacists were buying for less than what you
18 were reimbursing for during this '97 to 2002
19 period of time, TPA effectively blocked attempts
20 to -- to change the reimbursement methodology.

21 MR. IDELL: Objection; form.

22 A. Well, they sued us every time we tried
23 to lower their reimbursement the whole time I was
24 with the program. So sometimes they were
25 successful, and sometimes they weren't, but this